



JACK O'CONNELL
State Superintendent of Public Instruction

**CALIFORNIA
DEPARTMENT
OF
EDUCATION**

1430 N Street

P. O. Box 944272

Sacramento, CA

94244-2720

December 29, 2003

To: County Offices of Education
Attention: Chief Business Officials

From: Scott Hannan, Director
School Fiscal Services Division

Subject: 2003-04 First Quarter Lottery Apportionment

The State Controller's Office (SCO) will distribute the 2003-04 first quarter lottery apportionment on December 30, 2003. The total apportioned to K-12 county offices of education, school districts, and charter schools is \$224,995,232.63 or \$34.13 (\$34.132993691) per unit of average daily attendance for the unrestricted lottery apportionment. The first quarter lottery payment also includes prior year adjustments for fiscal years 2001-02 and 2002-03.

Enclosed for your information are the Remittance Advice and a copy of the "Lottery Educational Apportionment System Master Register" (Master Register). The Master Registers are also posted on the SCO website at <www.sco.ca.gov/ard/payments/lottery>. The Master Register includes the following information:

- **Average Daily Attendance:** The average daily attendance (ADA) listed is the actual annual ADA reported for the 2002-03 fiscal year times the statewide average excused absence factor of 1.04446. This ADA is the basis for the 2003-04 first quarter apportionment. Charter school ADA is listed separately from the chartering agency.
- **Apportioned Amount:** This is the amount apportioned for the first quarter of 2003-04. The first quarter apportionment is all unrestricted lottery funding. The Proposition 20 apportionment for the 2003-04 fiscal year will not be distributed until the third or fourth quarter apportionment.
- **Revenue Adjustment Amount:** This amount is for additional 2002-03 lottery funding that is now available for distribution. The California State Lottery previously withheld these monies pending an audit of their year-end financial statements. The additional revenue totaled \$3,838,316.55. Of this amount, \$.23 per ADA (\$.230505254) is unrestricted lottery funding and \$.25 per ADA (\$.247229536) is restricted for Proposition 20.
- **ADA Adjustment Amount:** During the 2002-03 fiscal year, lottery funding was allocated based upon prior year 2001-02 annual ADA (as adjusted by the 1.04446 excused absence factor). In December of each year, lottery funding is recomputed for

the prior two fiscal years based on actual annual ADA reported for those years. As a result of the changes in ADA, the funding rates per ADA also change.

To compute a local education agency's (LEA's) 2002-03 ADA adjustment:

- 1) Multiply the LEA's 2001-02 annual ADA (as adjusted by 1.04446) by the old 2002-03 rates of \$112.670981772 for the unrestricted lottery apportionment and \$12.509113213 for the Proposition 20 apportionment. This is the amount apportioned during the 2002-03 fiscal year.
- 2) Multiply the LEA's 2002-03 annual ADA (as adjusted by 1.04446) by the new 2002-03 rates of \$110.586816728 for the unrestricted lottery apportionment and \$12.301068158 for Proposition 20. This is the amount that should have been apportioned during the 2002-03 fiscal year.
- 3) The difference between the two calculations is the ADA adjustment for the 2002-03 fiscal year.

Also included in the ADA Adjustment Amount are any additional adjustments due to ADA changes for the 2001-02 fiscal year. The new rates for 2001-02 are \$116.131723730 per ADA for the unrestricted lottery apportionment and \$15.236736591 for Proposition 20. The old rates for the 2001-02 fiscal year were \$116.019171769 for unrestricted lottery funding and \$15.220928164 for Proposition 20.

- **Accounts Receivable Balance:** This amount represents the balance of any accounts receivable due to the State from the LEA.
- **Paid Amount:** This is the amount actually paid by the SCO. It includes the first quarter apportionment and prior year adjustments.
- **Non-Prop 20:** Non-Proposition 20 lottery funding is unrestricted, except that funds must be used for the education of pupils and may not be used for acquisition of real property, construction of facilities, financing of research, or other non-instructional purposes.
- **Prop 20:** Proposition 20 lottery funding is restricted for the purchase of instructional materials.

If you have any questions regarding your lottery apportionment, please contact Janet Finley, Fiscal Consultant, Management Assistance Unit at (916) 323-5091 or via e-mail at jfinley@cde.ca.gov.

Enclosures

SH:jf